

## **KENTUCKY DEPARTMENT OF EDUCATION**

### **STAFF NOTE**

#### **Review Item:**

Differentiated Compensation Pilot Final Report (Executive Summary under separate cover)

#### **Applicable Statute or Regulation:**

KRS 157.075, 702 KAR 3:310

#### **History/Background:**

***Existing Policy.*** In 2000, the General Assembly directed the Interim Joint Committee on Education to conduct a study of certified salaries and develop recommendations so that by 2004 Kentucky's salaries and benefits mirror the national average. Also included was a study of classified employee salaries. A work plan was adopted in February 2001 with final recommendations planned for August. The plan included gathering of data, identification of key issues, review of alternative models, and review of input from stakeholders prior to the development of recommendations.

In April 2002, KRS 157.075 was enacted that mandates the development of differentiated compensation programs that provide teachers additional compensation above the single salary schedule. KRS 157.075 further directs that differentiated compensation plans have one or more of the following purposes:

- Recruiting and retaining teachers in critical shortage areas;
- Reducing the numbers of emergency certified teachers;
- Providing incentives for teachers to serve in difficult assignments and hard-to-fill positions;
- Providing voluntary career advancement opportunities; or
- Rewarding teachers who increase their knowledge, skills and instructional leadership.

In addition, KRS 157.075 mandates that, beginning in the 2002-2004 biennium and thereafter, grants be provided to at least five (5) school districts to pilot differentiated compensation programs for a two-year period.

The Kentucky Board of Education promulgated 702 KAR 3:310 to define the factors that may be included in a differentiated compensation plan and procedures that shall be used in the development and approval of differentiated compensation plans.

On December 4, 2002, the Kentucky Department of Education (KDE) issued a Request for Proposals and received differentiated compensation program proposals from thirty-two (32) districts. An eleven (11)-member review team made up of KDE staff, highly skilled

educators, local district staff, and National Governor's Association staff met to read and score the proposals. Each proposal was read by at least two team members. The top ten scores were identified and submitted to the commissioner.

On February 13, KDE staff met with the University of Kentucky (UK) staff that would be responsible for evaluating the effectiveness of the proposed programs. The top ten proposals were reviewed to ensure that all five legislative elements were being addressed in the ten that were chosen. Successful and non-successful proposals were notified on February 28, 2003.

On May 28, 2004, UK staff presented an interim report to KDE, which indicated that two evaluation strategies were employed including developing case studies of each district's differentiated compensation project and conducting four separate but related surveys of teachers, academic coaches/mentors, principals, and superintendents participating in the projects. The surveys examined attitudes about differentiated compensation as well as issues of efficacy and commitment as they pertain to differentiated compensation. Survey results reflected the participants' opinions on their particular model. These results were shared with the Kentucky Board of Education at the August 2004 meeting.

On September 30, 2005, the University of Kentucky completed the differentiated compensation study final report. The final report is over 800 pages and will be provided upon request to Board members. However, to assist Board members in extracting key information from the report, the Executive Summary has been included under separate cover from the Agenda Book. If one needs to focus on the critical data from the Executive Summary, it is suggested to read the last portion consisting of the following:

- review of four separate yet related sets of surveys of teachers, academic coaches/mentors, principals, and superintendents regarding their perceptions of the five legislated areas for differentiated compensation and summaries of descriptive case studies of how each district implemented its differentiated compensation project (see pages 49-88 of the Executive Summary).

Other parts of the Executive Summary include:

- introduction and research design (see pages 4-15 of the Executive Summary); and,
- review of research literature on differentiated compensation, motivation, national board certification and teacher leadership (see pages 16-48 of the Executive Summary).

The survey questions were aligned with the five legislated areas found in KRS 157.075 (previously listed on page one of this staff note). Nine groups were surveyed and the percentage of return for each is listed below:

- Participating Teachers – 83%
- Teacher Control Group – 75%
- National Board Certified Teachers – 70%
- Participating Academic Coaches/Mentors – 63%
- Participating Principals – 98%

- Control Group Principals – 59%
- Participating Superintendents – 60%
- Ten District Control Group Superintendents – 80%
- Superintendents Statewide – 41%

General results of the surveys in the final report were as follows:

- teachers, principals and superintendents believe differentiated compensation will help recruit and retain better-qualified teachers and will motivate them to teach in critical shortage areas or difficult to fill positions;
- teachers and principals agreed that teacher salaries should not be linked to student achievement; however, superintendents disagreed;
- teachers and principals felt that school districts should pay for university coursework in content areas; however, the superintendents disagreed; and,
- across all groups surveyed, responses to the question on how much compensation it would take to motivate teachers to teach in a critical shortage area, serve in hard to staff schools or serve as a mentor teacher ranged from a mean of \$3,372 to \$11,750. The specific answers on this question from each of the nine groups surveyed were as follows:
  - ❑ participating teachers \$5,456.74
  - ❑ teacher control group (nonparticipating teachers) \$5,403.44
  - ❑ national board certified teachers \$7,512.81
  - ❑ participating academic coaches/mentors \$3,372.02
  - ❑ participating principals \$4,377.55
  - ❑ control group principals (nonparticipating principals) \$4,553.57
  - ❑ participating superintendents \$4,916.67
  - ❑ ten district control group superintendents (nonparticipating superintendents) \$11,750
  - ❑ superintendents statewide \$6,805.56

(Note: all dollar figures are means.)

As the KDE moves into the next phase of work on differentiated compensation, the findings from this report will be used to shape the design of future differentiated compensation projects and assist in drafting legislative and budgetary language.

### **Policy Issues:**

Staff is seeking the Board's reaction to the report's findings and any suggested implications for future policy development.

### **Impact on Getting to Proficiency:**

Teacher compensation contributes to teacher quality and motivation, which in turn relates to schools moving toward proficiency.

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Commissioner of Education

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